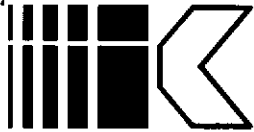


This fiasco caused by the inept sloppy and down right negligent handling by ComEd has caused in excess of \$500,000.00. Some of the major costs are:

1)	Inability to close on 825 Blackhawk, Westmont; Building	
	$\frac{\$5,850,000 \times .07 \times 5}{12} =$	\$170,000.00
2)	Additional real estate taxes on 825 property	\$ 25,000.00
3)	Five months project managements @ \$1250.00/day	\$137,500.00
4)	Re-do and up-date of environmental studies	\$ 75,000.00
5)	Legal fees for re-writing contract for each delay; update environmental write-up	\$ 25,000.00
6)	Inability to rent space net of rent from 825 Blackhawk	\$ 20,000.00
7)	Operating and maintaining 825 Blackhawk for five months	\$ 12,000.00
8)	Overruns on Industrial Kinetics production due to schedule changes by ComEd	\$ 40,000.00 est.
9)	Overruns and inflated bids due to no electricity in building	\$ 40,000.00 est.
(10)	Contracted office mover could not make revised schedule net of original bid	<u>\$ 15,000.00</u>
	Total if figured from April 1	\$559,500.00
	Total if figured from April 15	\$525,500.00

Additional – smaller items too numerous to list here.

We would like the commissioner to direct Commonwealth Edison to reimburse claimants for the costs caused by the disregard of its service obligation – a duty of the monopolizer to the monopolized.



2535 Curtiss Street Downers Grove, Illinois 60515 (630) 655-0300
Fax 655-1720

INDUSTRIAL KINETICS, INC.

TOTAL MATERIAL HANDLING SYSTEMS

October 30, 2008

File #ICCClaimAddendum103008.doc

Illinois Commerce Commission
527 E. Capital Avenue
Springfield, IL 62701

Attention: Elizabeth A Rolando
Chief Clerk

Subject: Addendum to Formal Complaint
Industrial Kinetics Inc v. Commonwealth Edison

Ms. Rolando:

Enclosed is our notarized Formal Complaint form against Commonwealth Edison. This letter is an addendum to the attached Formal Complaint.

Background

Industrial Kinetics, Inc., a small Illinois manufacturing corporation, decided to move from Westmont to smaller facilities at 2535 Curtiss Street in Downers Grove. The move was necessary to reduce costs which were increasing attributable to the economy and the slowing manufacturing sector.

The Downers Grove facility required significant upgrades and renovation to support our operation. Early in the planning period for building renovations and with information and estimates obtained from Commonwealth Edison, we made the strategic choice to upgrade power in the facility from 208V-3Ph to 460V-3Ph. Once this decision was made, we had to follow through as equipment for the new facility had to be ordered for 460 power and our existing machinery could not be converted in a timely fashion to support production.

Simply stated, the installation of 460V power to the Downers Grove facility was the critical path task for ALL schedules being managed. Power was needed for contractors to complete renovations to the building so a certificate of occupancy could be obtained. The power and the renovations had to be complete to allow the moving operations from Westmont to Downers Grove. And, we were contractually obligated to vacate our Westmont facility with a closing date certain.

Timeline of Events between Industrial Kinetics and Commonwealth Edison

Industrial Kinetics contacted Commonwealth Edison in November 2006 immediately after closing on the Downers Grove facility. On December 29, 2006 we received an application for service upgrade accompanied by Commonwealth Edison's schedule showing a completion date of approximately April 13, 2007.

The application was completed and forwarded to Phil Siston on January 3, 2007. On January 11, 2007 an advance deposit for engineering service request was requested by Com-Ed. This correspondence indicated that we must sign and return the required deposit to insure that Com-Ed complete the detailed engineering and provide project contracts. We signed and mailed this correspondence with a deposit of \$1,000.00 on January 12, 2007. To further confirm this contract Industrial Kinetics issued a purchase order to Com-Ed on February 6, 2007. This was the *only* document/contract requested and provided by Com-Ed to initiate this project. It was expected that the contract(s) would follow in a timely manner once this deposit was made.

During a conference call with Commonwealth Edison on February 12, 2007 Mr. Siston told Industrial Kinetics that all work would be completed in six to eight weeks. By this schedule provided by Com Ed's representative, the completion of the upgrade would be no later than *April 9, 2007* (Completion date #1). It was also decided on this teleconference that power would enter the building from the existing pole on the west side. This was decided *specifically* because of the additional time required to bring power to multiple and/or different points around the building and the critical nature of IK's overall schedule.

On February 26, 2007, Mr. Siston notified Industrial Kinetics that effective February 23, 2007 he would be replaced by Kurt Armstrong. This change in personnel caused numerous delays. Examples of the delays, mismanagement or otherwise bungling by Com Ed as a result of this change in personnel include:

- Mr. Armstrong could not locate or did not have documentation on Industrial Kinetics' load information which was provided by Industrial Kinetics on January 3, 2007
- On March 1, Mr. Armstrong requested an engineering fee to start the project; an agreement which had been executed with deposit submitted on January 12, 2007 and confirmed by Industrial Kinetics purchase order on February 6, 2007.
- On March 3, 2007 Industrial Kinetics was informed that the service and meter application, which had been submitted months previous, was not correct and had to be changed.
- Com-Ed's easement notice for the property, which should have been sent to Industrial Kinetics, was mistakenly sent to the former property owner by Com Ed.
- On April 18, 2007 we were informed by Mr. Armstrong that the installation would be completed in 9 weeks once the contract was signed. This was a contract we still did not have resulting from our January 11 deposit.
- On May 17, 2007 we finally received a contract to do work. This is 199 days (28 weeks) from first contact with Com Ed and 126 days (18 weeks) from the time of our deposit to the receipt of a mere contract. This is 38 days beyond the



estimated date of project completion of April 9, 2007 (Completion Date #1 referenced above).

After review, Industrial Kinetics signed the contract on May 21, 2007 and submitted payment in full in advance of the work with a check for \$4,116.52. Industrial Kinetics could not have signed a contract before that date because no such form was provided or requested previously. Throughout the course of the project, Commonwealth Edison failed to apprise Industrial Kinetics of all necessary documents. Throughout the course of the project, Commonwealth Edison delayed the proper paperwork. By the time a contract was received (126 days after deposit submittal and 38 days beyond the anticipated and necessary completion of the project); Industrial Kinetics had no choice but to sign this contract if it wanted electricity. This was, without a doubt, a contract of adhesion.

On June 8, 2007 we were informed by Mr. Armstrong our new service would be installed July 11, 2007 (Completion date #2). In order to install the upgraded power on the same power pole as the existing power, Com Ed required the 208 Power be turned off. On or about June 18, 2007, Com Ed, at its own direction, disconnected the existing power to the facility. We had absolutely no power in the building. Tradesmen were working in the dark. Generators had to be brought in to power tools and lights. Obviously work contracted by Industrial Kinetics slowed and costs were incurred as a result of the conditions. Not surprisingly, though, our electric bills came in based on "estimates" and right on time.

The Completion Date #2 of July 11, 2007 came and went. By this time, we were desperate to get this upgrade and attempting to contact Com Ed on a daily basis. Calls were frequently not returned. When calls were returned, we received half truths, obfuscations or excuses. (Mr. Armstrong, Com Ed's Project Engineering and representative of apparent authority told us he did not have a voice in the scheduling of Com Ed's crews and he was not allowed to provide his supervisors contact information.) The final icing on the cake happened when a Com Ed crew *finally* did arrive at the jobsite; however it was the below-ground crew instead of the above ground crew. The installation was completed on August 23, 2007, **some 136 days, 19 ½ Weeks or 5 ½ months beyond the originally scheduled completion date.**

Industrial Kinetics Charge against Commonwealth Edison

Commonwealth Edison was negligent in its responsibilities to execute this project. Commonwealth Edison personnel assigned to the project were inept and/or ineffective and/or untruthful throughout the course of the project. All others associated with the project (Industrial Kinetics, the Village of Downers Grove) did as Commonwealth Edison demanded in a timely and complete fashion. It is Commonwealth Edison alone who is responsible for significant delays associated with this project.

These delays had damages both measurable and immeasurable to Industrial Kinetics. Commonwealth Edison must be held accountable for those damages.

Effects of Commonwealth Edison Delays

- Industrial Kinetics had to carry the cost of two facilities for months longer than anticipated. The scheduled date to vacate our Westmont facility was April 1,



2007; five months before power was actually supplied to the Downers Grove facility.

- The delays jeopardized the contract for the sale of its Westmont Facility as we could not vacate the facility by the required date. Industrial Kinetics incurred the cost of legal fees and other penalties to get extensions to the closing date.
- Industrial Kinetics incurred additional costs and delays with other contractors renovating the building. Contracts were based on the building being powered. Industrial Kinetics was forced to pay for the cost of providing generators and the cost of inefficiencies by not having power. Contracts let after power was shut off were 20%-30% higher because of the lack of power.
- The Industrial Kinetics Site Project Manager was required to work at the jobsite for an additional 4+ months. Opportunity costs were incurred as he would have been assigned to orders instead of the internal renovation project.
- Industrial Kinetics incurred additional moving costs for both internal and outside resources assigned to physically move from the old facility. We had to hire additional crews to move and a compressed schedule and we could not move other materials into the building because it had no power.
- Industrial Kinetics incurred inefficiency costs associated with operations. Our move schedule was both compressed and rearranged, requiring the movement of both personnel and materials between facilities for a prolonged period.
-

The costs that can be measured as a result of Com Ed's delays are well in excess of \$500,000.

By the Numbers

Number	Units	Description
2	Employees	Com Ed Engineering Representatives
6-8	Weeks	Estimated weeks to complete power upgrade when deciding if/how to upgrade power
18	Weeks	Time required for Com Ed to engineer and generate a simple contract to upgrade power
9+	Weeks	Building left with absolutely no power; "in the dark" (yet our bills kept coming)
19.4	Weeks	Project Completion date (August 23, 2007) and Completion Date 1 (April 9, 2007)
6.2	Weeks	Project Completion date (August 23, 2007) and Completion Date 2 (July 11, 2007)

All quotations are subject to the conditions of sale on reverse side of first page



6774.84	Dollars	Payment to Com Ed for Upgrade of Power
500,000+	Dollars	Costs incurred by Industrial Kinetics as a result of Com Ed delays
0	Companies	Competitors to Com Ed for Line Service in the delivery of electricity in Downers Grove IL



Conclusion

Industrial Kinetics has made numerous attempts to resolve this dispute with Commonwealth Edison. We have contacted Com Ed directly with not even an offer to discuss the matter. We have solicited the help of the Village of Downers Grove and the Downers Grove Economic Development Corporation. They worked through their channels to bring Com Ed to the table to discuss our grievance. Again, Com Ed refused to discuss matter. We contacted State Representative Patricia Bellock and Lieutenant Governor Patrick Quinn. They too were unable to arrange any meeting or discussion with Com Ed. Simply stated, Com Ed is a monopoly supposedly regulated by government agencies which is seemingly too large and/or too powerful to be held accountable even by elected officials.

The ICC represents our last avenue to bring the Industrial Kinetics and Commonwealth Edison together to adjudicate this dispute outside the court system. We are open to the consideration of any number of dispute resolution methods. First, however, Com Ed must somehow acknowledge this dispute and be open to address the issues in some meaningful way. We ask the ICC to present our dispute to Com Ed and, within the purview of its charter, require or encourage Com Ed to address the situation before we have no alternative but to ask the courts to adjudicate it.

Thank you for your consideration of our Formal Complaint. Please direct correspondence to me at ghuberiii@iki.com , fax 630-786-4351 or telephone 630-786-4305.

Sincerely,
INDUSTRIAL KINETICS, INC.


George Huber III
Vice President

